

I M M E D I A T E R E L E A S E -- I M M E D I A T E R E L E A S E

OGC Has Reviewed

VETERANS ADMINISTRATION
Public Relations Office
EX. 4120 Br. 2014

August 1, 1946

Washington 25, D. C.

Insurance benefits to veterans were materially extended and liberalized today when President Truman signed the Congressional Act amending the National Service Life Insurance Act of 1940, it was announced by the Veterans Administration.

As originally enacted National Service Life Insurance was designed to meet the needs of men and women at war. The new amendments provide for liberalization to make it more attractive in peace time.

They offer endowment types of policies which were not included in the original law; permit the naming of beneficiaries outside the restricted classes included in the original bill, offer lump sum payments and total disability benefits which were not previously included.

The VA said that holders of about 6 million NSLI policies now in force are eligible for the benefits provided by these new amendments. In addition, those veterans who formerly held some 10 million policies that have lapsed may still be entitled to reinstate them and take advantage of the low cost protection provided for their families by GI insurance.

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TYPES OF POLICIES

Those veterans who are now holding term insurance policies need feel no compulsion to make an immediate change in the insurance they are carrying, as they have ample time to give mature consideration to their insurance programs. Term insurance policies issued before January 1, 1946 may be continued without change for 3 years from the date they were issued and policies issued after December 31, 1945 are good for 5 years without the necessity of converting to any of the more permanent types of insurance.

As originally issued the permanent policies provided in National Service Life Insurance were: ordinary life, on which the policyholder pays for as long as he lives at a level premium; 20-payment life, on which premiums are paid for 20 years and after which no more premiums are required; and 30-payment life, on which premiums are paid for 30 years.

In addition to these types of policies the amendments provide for 20-year endowment policies, endowment at age 60 and endowment at age 65. On all of these endowment policies the premiums must be paid for the indicated length of time, at the expiration of which the face of the policy may be paid to the veteran. Those veterans who have converted their term insurance to one of the previously authorized plans are permitted under the amendments to change to one of the endowment plans if they wish.

BENEFICIARIES

All restrictions on the choice of beneficiaries which were imposed by the original Act have been removed. Formerly the insured was permitted only to designate beneficiaries who were near relatives. He now may designate any person or persons, a corporation or his estate as beneficiary in his insurance policy.

MODES OF SETTLEMENT

The only method of settlement previously provided was monthly income or annuity payments which were provided for a guaranteed period of 120 months or as a refund life income, paid in equal monthly installments with the guarantee that the face of the policy would be repaid. These forms of payment are still available.

In addition to them the amendments provide an option under which the insured may have his insurance paid in a single lump sum to beneficiaries, or he may elect for payments to be made in equal monthly installments ranging from 36 to 240 months.

TOTAL DISABILITY BENEFITS

A new feature added to the insurance by these amendments is the payment of benefits to an insured who is totally disabled for as long as six months. These payments are at the rate of \$5 a month for each \$1,000 of insurance and are payable for as long as the disability exists. The insurance itself is not affected by these payments so that beneficiaries enjoy the full face value of the policy upon the death of the insured. The new total disability feature may be added to any form of NSLI, including term insurance. It is only necessary that the insured meet specified health requirements and pay the extra premium that is required for this additional benefit.

APPLICATION FOR NEW INSURANCE

All persons who served in the armed forces between October 8, 1940 and September 2, 1945 are entitled to apply for new NSLI. The total amount of Government life insurance which may be carried by any applicant may not exceed \$10,000. The application may be filed at any time and will be granted upon proof that the applicant meets the required health standards. This is a definite change from the previous provision which limited all veterans to the amount of insurance they had while in service.

REJECTED APPLICATIONS

Applications for insurance which were rejected solely for health reasons between October 8, 1940 and September 2, 1945 are validated by these amendments in cases where the applicant were killed or totally disabled in line of duty while in service. This amendment will provide income for beneficiaries who receive no insurance payments under the old law.

MISCELLANEOUS PROVISIONS

Numerous miscellaneous provisions are included in the amendments. Most of them are of a technical nature or are applicable to limited groups. They include the right to assign a beneficiary's interest to specified relatives of the insured provided payment of the insurance has not started. Present beneficiaries under insurance on which payments started before September 30, 1944 are permitted to select refund life income payments instead of former modes of settlement. Those eligible will be notified of their rights by the VA and need not make inquiry. Also, suits in United States courts are authorized in cases where there is any disagreement over claims.